weekly economic review

December 20, 2013

Population

Migration drives population growth

Robust migration to Alberta held population growth at 3.5% year-over-year (y/y) for the second straight quarter. The growth was the highest among the provinces and well above the Canadian increase of 1.2%.The province welcomed 10,269 net new interprovincial and 16,436 net international migrants in the third quarter. For more information please see Treasury Board and Finance's Quarterly Population Report.

Rental Market

Rents move higher; vacancy lower

Rental rates across the province edged higher in October 2013, as vacancy rates across the province dipped from 2.0% to 1.6% over the same time last year. The vacancy rate in Calgary dipped below 1.0%, pushing average two-bedroom rent up 7.2% y/y to $1,224. Average two-bedroom rents in Edmonton were up 5.6% y/y to $1,141. Monthly rents in Grande Prairie posted the largest increase in the province, up 11.9% y/y to $1,124.

Resale Home Market

Calgary market leads the way

Theresale market through November has been strong in Calgary. Prices rose 7.5%y/y in the province's largest city, pulling the provincial average resale home price up by 5%. Edmonton price growth remains subdued, up 2.4% over the same time last year. The market remains firmly in sellers' territory, with a sales-to-new-listings ratio over 0.70 in the major markets of Edmonton and Calgary, and 0.67 for the province as a whole.

Manufacturing Shipments

Machinery rebound continues

Shipments jumped 6.8% y/y in October with strong growth from machinery (12.1%), food (18.3%), and chemical manufacturing (9.9%). Machinery shipments have experienced exceptional growth over the last three months after several months of declines. Year-to-date, manufacturing shipments are up 1.3%.

Consumer Price Index

Inflation rate edges higher

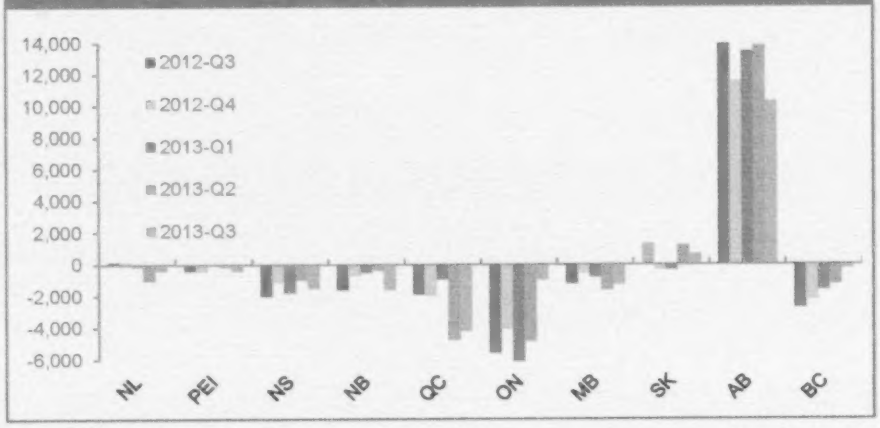
For the first time in four months year-over-year growth in consumer prices edged higher, touching 1.7% in November, up from 1.0% in October. The uptick was led by higher shelter costs, with owned accommodation costs rising 2.4% y/y, up from 2.1% in October. Nationally the inflation rate edged up to 0.9%, up slightly from October, largely due to higher shelter costs.

Retail Sales

Strong growth leading into holiday shopping season

Retail sales climbed slightly in October to $6.22 billion from $6.20 billion in September. On a year-over-year basis, sales growth remained strong at 6.6%, an acceleration from the 6.4% gain in October. Nationally retail sales dropped slightly from October, but were up 3.0% over the same time last year.

Net Interprovincial Migration



Source: Statistics Canada

Closing Price	Dec. 12, 2013	Dec. 19, 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	93.98	93.67	96.51
WTI Oil ($US/bbl)	97.50	98.77	99.20
NYMEX Natural Gas($US/MMBtu)	4.41	4.46	3.79

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Alberta Economic Indicators

Population	2011	2012	2013YTD	June	July	Aug	Sept	Oct	Nov
NEW! Population (000's)	3,790	3,889	4,025	..	4,025	..	..	4,061	..
y/y % change	1.5	2.6	3.5	..	3.5	..	..	3.5	..
NEW! Net Interprovincial Migration[1]	8,443	27,652	52,677	..	13,791	..	..	10,269	..
NEW! Net International Migration[1]	19,411	40,842	52,551	..	20,487	..	..	16,436	..
NEW! Net Non-permanent Residents[1]	-7,251	10,085	19,560	..	10,472	..	..	8,213	..
Labour Market									
Employment (000's), SA	2,094	2,149	2,207	2,201	2,217	2,232	2,236	2,237	2,248
y/y % change	3.8	2.6	2.7	2.6	3.0	3.6	3.7	3.5	3.6
Unemployment Rate (%), SA	5.5	4.6	4.6	5.0	4.5	4.8	4.3	4.4	4.7
Participation Rate (%), SA	73.7	73.4	73.0	73.1	73.0	73.6	73.1	73.0	73.4
Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,103.77	1,104.47	1,103.08	1,110.83	1114.95	..	..
y/y % change	4.4	3.6	3.2	3.4	2.1	0.8	2.6	..	..
Price Indices									
NEW! Consumer Price Index (y/y % change)	2.4	1.1	1.4	2.3	2.2	1.4	1.3	1.0	1.7
Excluding food and energy	0.8	1.4	1.4	1.6	1.9	1.6	1.5	1.6	1.5
Non-Res. Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.2	0.9	..	..	1.2	..	..
Farm Product Price Index (y/y % change)	18.1	6.3	4.4	5.3	4.6	2.5	2.5	..	..
Crops	19.0	6.7	4.7	6.5	2.5	-4.2	6.0	..	..
Livestock	17.2	5.9	3.9	4.4	6.9	7.0	10.0	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.5	33.3	36.0	38.1	35.6	28.8	30.8	37.2	42.2
y/y % change	5.0	30.7	7.1	12.8	7.2	-1.8	-7.8	10.1	5.8
New Housing Price Index[3] (y/y % change)	0.4	1.6	2.7	2.9	3.0	3.3	3.1	3.0	..
Edmonton	0.9	0.9	0.6	0.6	0.6	0.8	0.2	0.3	..
Calgary	-0.1	1.7	5.1	5.3	5.8	6.1	6.3	6.1	..
NEW! MLS Average Resale Prices ($ 000's)	352.7	362.0	379.3	376.5	378.7	387.2	382.7	390.7	387.7
y/y % change	0.5	2.6	5.0	4.4	4.9	6.6	7.3	3.8	5.0
Edmonton ($ 000's)	324.2	332.7	342.4	344.7	340.4	347.5	346.9	339.3	346.1
y/y % change	-0.7	2.6	3.1	3.7	2.9	4.2	7.7	1.5	2.4
Calgary ($ 000's)	401.9	410.8	435.5	431	438.7	440.8	436.5	439.7	449.0
y/y % change	1.1	2.2	6.5	5.3	6.8	7.8	8.6	4.5	7.5
NEW! Retail Sales, SA (y/y % change)	6.8	6.9	6.5	7.9	6.4	5.8	6.4	6.6	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	6.2	3.4	6.5	7.0	2.1	6.5	..
Consumer Bankruptcies	7029	5759	3699	375	385	379	375	..	..
y/y % change	-13.6	18.1	-17.8	-22.5	-21.3	-16.5	-10.9	..	..
Business Sector									
Rigs Drilling	286	250	233	115	187	239	251	239	233
y/y % change	30.4	-12.6	-5.5	-17.1	-5.9	7.0	9.6	1.0	-9.8
Goods Exports, customs based (y/y % change)	16.4	2.9	6.8	-0.6	9.1	7.6	16.6	19.0	..
Energy	19.2	3.6	9.2	0.3	11.1	12.6	25.7	26.1	..
Farm, Fishing and Intermediate Food	27.2	20.6	-7.7	-18.4	1.8	-24.2	-27.5	-14.8	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	2.1	3.5	..	..	3.4	..	..
NEW! Manufacturing Shipments, SA (y/y % change)	17.3	3.4	1.3	3.6	3.7	8.4	1.9	6.8	..
NEW! Wholesale Trade, SA (y/y % change)	14.7	10.9	2.5	1.7	2.5	1.9	1.8	4.9	..
Building Permits, SA (y/y % change)	11.8	14.3	21.2	21.6	50.4	1.1	29.9	23.6	..
Residential	5.2	18.2	18.6	16.6	29.1	-5.9	39.5	37.2	..
Non-residential	20.9	10.7	24.8	28.5	79.7	12.3	14.7	6.0	..
Business Bankruptcies	264	230	100	9	9	7	13	..	..
y/y % change	30.2	-12.9	-44.8	-59.1	-43.8	-30.0	-38.1	..	..

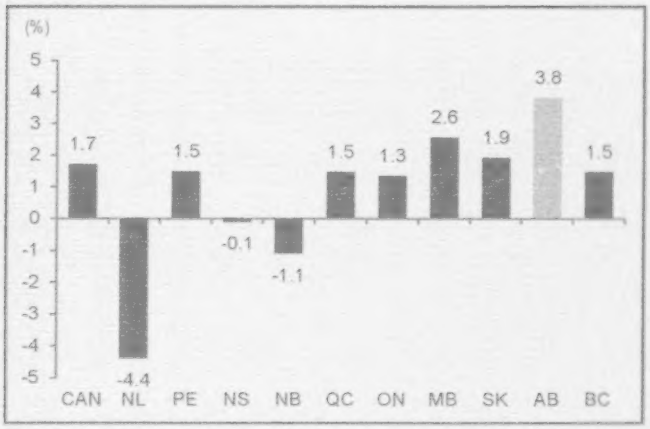
1 Quarterly, annual numbers are presented on a census year basis (July 1– June 30).
2 Quarterly, average of Calgary and Edmonton.
3 Average of Calgary and Edmonton.
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate.

Sources: All data are from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada).

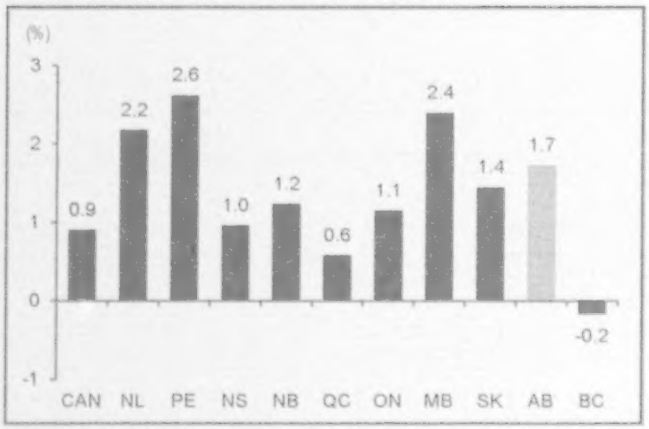
All historical data are subject to revision.

Economic Indicators by Province

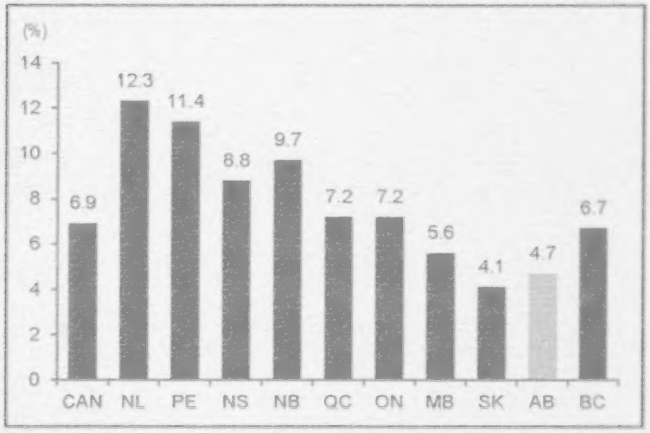
Real GDP at Market Prices
(2012, year-over-year growth)



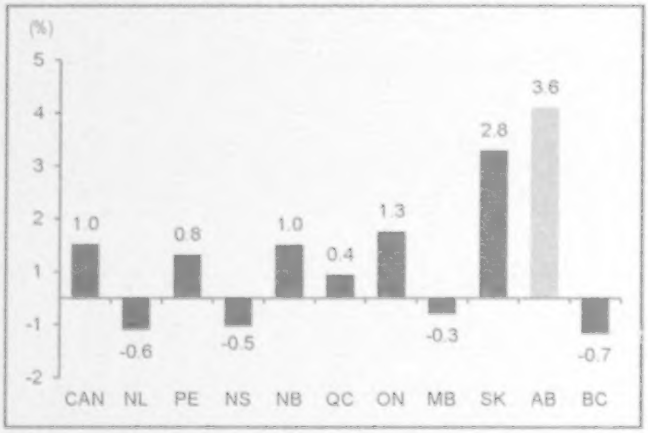
CPI Inflation
(November 2013, year-over-year growth)



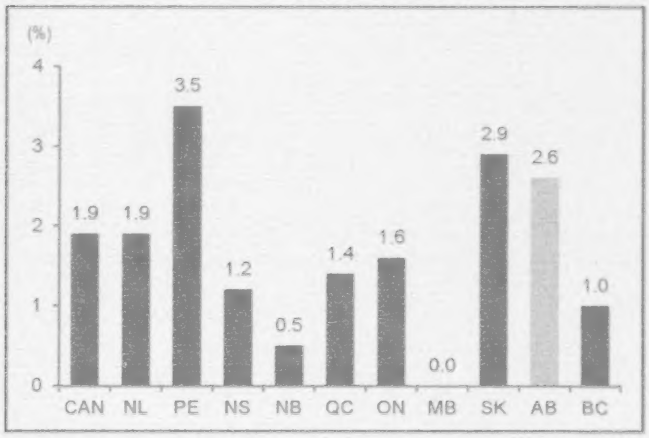
Unemployment Rate
(November 2013)



Employment
(November 2013, year-over-year growth)



Average Weekly Earnings
(September 2013, year-over-year growth)



Housing Starts
(November 2013, SAAR, year-over-year growth)